

Automotive Dialogue
Report for the
CTI ANNUAL REPORT TO MINISTERS

For AMM’s information

(a) Key outcomes and achievements in 2023

The objectives of Auto Dialogue 37 and 38:

At AD37 in Detroit, the AD called for member economies to consider the following policy recommendations:

To deliver on climate goals, economies are supporting the uptake of low/zero emission vehicles, by;

- Developing economy-wide low/zero emission vehicle plans and strategies with input from all relevant sectors
- Subsidizing low emission vehicle sales that target the cleanest vehicles
- Using ‘feebates’ to disincentivize inefficient vehicles and more efficient vehicles
- Subsidizing the cost of charging infrastructure development
- Demonstrating leadership on climate change by procuring low emission vehicles for govt fleets.
- Establishing Vehicle Efficiency Standards
- Exempting import and excise duty, and sales taxes for EVs

However more could be done to stimulate demand for low emission vehicles and ensure a just transition. APEC economies could;

- Support the rollout of EV charging infrastructure to ensure a comprehensive and coherent public charging network to ease ‘range anxiety’
- Work with the electricity sector to ensure the grid is increasingly smart, reliable and low emission to support charging and manufacturing
- Develop consumer awareness and education campaigns to ensure the benefits of low/zero emission vehicles are realized

Despite economies’ applaudable efforts to stimulate demand, vehicles manufacturers will face challenges in meeting demand. These include:

- Significant challenges in the supply of critical minerals and materials will require government leadership to develop long term resource plans
- Invest in Battery R&D to incentivize innovation and tech break throughs
- Collaborate to resolve supply chain issues and minimize costs
- Enhance industry collaboration across the battery life-cycle to ensure that batteries are designed for easy reuse, repurpose, and recycling.
- Create a more stable and predictable source of materials for EV batteries
- Develop a circular economy model for batteries and EVs as a whole
- Collaborate to resolve supply chain issues and minimize costs

- Develop and harmonize international standards for sustainable batteries and supply chains

Work undertaken by fora in pursuit of the [Putrajaya Vision 2040](#), including through the [Aotearoa Plan of Action \(APA\)](#)

*Kindly refer to the “Collective Actions” (in the APA) for the relevant fora
Please also outline any individual actions that your fora has showcased during the year.*

The Auto Dialogue’s implements the Aotearoa Plan of action by:

Delivering on Trade and Investment by;

- Progressing liberalization of trade in goods by reducing unnecessary barriers, strengthening trade facilitation, and fostering regulatory reform.
- Increasing trade predictability and openness by improving economies’ transparency through trade measures and policies.
- Addressing key infrastructure gaps and enhancing connectivity by creating transparent regulatory environments, promoting dialogue, and sharing best practices.
- Identifying and integrating new and emerging sustainable transportation and mobility technologies and services.
- Adopting new and emerging technologies to stimulate growth, connectivity and digital transformation.
- Examining the impact that the transition to EVs has on the Auto Parts Industry.

Delivering on Innovation and Digitalization by;

- Supporting the identification and integration of new and emerging sustainable transportation and mobility technologies and services.
- Adopting new and emerging technologies to stimulate growth, connectivity and digital transformation
- Examine the Circular Economy for Battery Recycling and Re-use.

Delivering on Strong, Balanced, Secure, Sustainable and Inclusive Growth by;

- Developing, encouraging and exchanging best practice policies, and by promoting capacity building programs, that address all environmental challenges - including climate change - and support sustainable growth, such as through:
 - sustainable infrastructure and transport;
 - promoting sustainable growth across sectors and the development of cost effective low and zero emissions technologies,
 - seeking to deliver on existing Leaders’ commitment to deliver a plan to reduce aggregate energy intensity by 45%, from 2005 levels, by 2035;
- Examining the implications of Equity, Access, and Inclusivity in EV/AV Adoption and Access in a multi-modal environment including personal vehicles, buses, tram and rail, shared mobility, etc.

<ul style="list-style-type: none">▪ Examining how the transition to EVs impacts the auto workforce.▪ Examine the implications that a transition to EV has on Micro-Transit Applications and Integration in Urban Transit and Infrastructure including 2/3 wheeled vehicles, particularly E-scooters and E-bikes.
(b) Work Undertaken by the fora in response to Ministerial, SOM and CTI direction <ul style="list-style-type: none">○ See issues above.
(c) Key Issues Under Discussion by the Fora (if any); & <ul style="list-style-type: none">○ See issues above.
(d) Items to submit to Senior Officials or Ministers - Attached is: <ul style="list-style-type: none">▪ Key Policy Recommendations of the 37th APEC Auto Dialogue

KEY POLICY RECOMMENDATIONS OF THE 37th APEC AUTO DIALOGUE

1. Policy frameworks are key to tackling climate change

APEC members are working to deliver on climate goals by supporting the uptake of low/zero emission vehicles. Examples of key recommended policies include:

- Developing economy-wide low/zero emission vehicle plans and strategies with input from all relevant sectors
- Subsidizing low emission vehicle sales that target the cleanest vehicles
- Using ‘feebates’ to disincentivize inefficient vehicles and incentivizing more efficient vehicles
- Subsidizing the cost of vehicle charging infrastructure development
- Demonstrating leadership on climate change by procuring low emission vehicles for government fleets
- Establishing Vehicle Efficiency Standards
- Exempting import and excise duty, and sales taxes for EVs

However, APEC could do more to stimulate demand for low emission vehicles and ensure a just transition. Economies could:

- Support the rollout of EV charging infrastructure to ensure a comprehensive and coherent public charging network to ease ‘range anxiety’.
- Work with the electricity sector to ensure the grid is increasingly smart, reliable and low emission to support charging and manufacturing.
- Develop consumer awareness and education campaigns to ensure the benefits of low/zero emission vehicles are realized.

2. Scaling up production of low/zero emission vehicle batteries

Despite economies’ applaudable efforts to stimulate demand, vehicle manufacturers will face challenges in meeting increasing demand. Ensuring sufficient supply of critical minerals and materials will require government leadership to develop long-term resource plans. APEC members are encouraged to work with industry to:

- Invest in Battery R&D to incentivize innovation and technology break throughs
- Collaborate to resolve supply chain issues and minimize costs to create a more stable and predictable supply of battery materials
- Enhance industry collaboration across the battery life-cycle to ensure that batteries are designed for easy reuse, repurpose, and recycling
- Develop a circular economy model for batteries and EVs to be recycled
- Develop and harmonize international standards for sustainable batteries and supply-chains.